

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** March 4, 2008

**Bill Number:** S. B. 1137

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**Committee Requesting Impact:** Senate Transportation

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### Bill Summary

A Joint Resolution (JR) to provide that in 2009 and 2010, the annual fee for the automobile manufacturer standard license plate for vehicles in such manufacturer's employee benefit program and for the testing, distribution, evaluation, and promotion of its vehicles is seven hundred twenty-six dollars, and to provide that twenty dollars of each fee is credited to the General Fund of the state and the balance to local governments.

### REVENUE IMPACT <sup>1/</sup>

This JR is expected to reduce the level of current allocations to certain county jurisdictions by \$96,250 in FY 2008-09 and by \$106,050 in FY2009-10.

### Explanation

This bill resets the annual fee to obtain a "BM" license plate in this State at \$726 for calendar years 2009 and 2010, effective as of July 1, 2009. This rate is a \$35 reduction from current fee of \$761 in 2008. As current practice the DMV retains \$1 of the \$20 fee allocation to the state's General Fund for plate replacement cost. The balance of \$706 would go to the applicable county. These tags primarily apply to vehicles manufactured by Bavarian Motor Works (BMW) with bulk of proceeds going to Greenville County. Tags are issued as new and/or biennial renewals at time of purchase.

Based on a review by DMV, registrations remain stable at about 3,000 annually in past two years. That level is expected to continue in FY 2008-09 and rise slightly by 30 to 3,030 tags in FY 2009-10. Since this bill is effective July 1, 2009, the lower rate should apply to collections for eleven months in FY2008-09, prorated at 2,750 plates. Multiplying \$35 times 2,750 yields \$96,250. Thus, we expect adoption of this bill would lower funds allocated to counties by a total of \$96,250 in FY2008-09 and, based on the above estimate of 3,030 registrations, by an incremental amount of \$9,800 to a total of \$106,050 in FY2009-10. This bill would have no impact on state revenues, since there is no change in the portion allotted thereto.

**Analyst:** Di Biase

/s/ William C. Gillespie

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Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).